

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



July 26, 2004

ALL COUNTY LETTER NO. 04-30

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS  
ALL FOOD STAMP COORDINATORS  
ALL COUNTY DISTRICT ATTORNEYS  
ALL COUNTY CHILD CARE COORDINATORS  
ALL CAL-LEARN COORDINATORS  
ALL COUNTY REFUGEE COORDINATORS  
ALL COUNTY WELFARE TO WORK COORDINATORS  
ALL COUNTY WELFARE FRAUD CHIEF INVESTIGATORS  
ALL CAL-LEARN CASE MANAGEMENT AGENCIES  
ALL CONSORTIUM PROJECT MANAGERS  
ALL QUALITY CONTROL PROGRAM COORDINATORS  
ALL CASH ASSISTANCE PROGRAM FOR IMMIGRANTS COORDINATORS

**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: REGULATIONS TO IMPLEMENT THE QUARTERLY REPORTING/PROSPECTIVE BUDGETING SYSTEM IN THE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND FOOD STAMP (FS) PROGRAMS

REFERENCE: ASSEMBLY BILL (AB) 444 (CHAPTER 1022, STATUTES OF 2002); AB 692 (CHAPTER 1024, STATUTES OF 2002); AB 1402 (CHAPTER 398, STATUTES OF 2003); ALL COUNTY LETTERS 03-18 AND 04-19; AND ALL COUNTY INFORMATION NOTICES (ACIN) I-54-03, I-84-03, I-09-04, I-10-04, AND I-29-04

The purpose of this All County Letter (ACL) is to notify counties of new regulatory provisions for the Quarterly Reporting/Prospective Budgeting system in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Food Stamp (FS) programs. These regulations contain the quarterly reporting provisions and policy interpretations already issued and implemented through QR/PB All County Letters (ACLs) and All County Information Notices (ACINs). These regulations are being issued on an emergency basis effective July 1, 2004, upon filing with the Secretary of State and are available at the web addresses listed below.

For CalWORKs: <http://www.dss.cahwnet.gov/getinfo/pdf/d040402r.PDF>

For Food Stamps: <http://www.dss.cahwnet.gov/getinfo/pdf/d040401r.PDF>

This regulation package contains a tandem format to allow for the retention of both Monthly Reporting/Retrospective Budgeting (MR/RB) and QR/PB during counties' staggered implementation of QR/PB. MR/RB regulations became inoperative upon each counties' implementation of QR/PB.

This regulation package also contains additional or different requirements which supercede certain policies and provisions set forth under prior QR/PB ACLs and ACINs. The changes/additions are summarized below:

**MPP Sections 40-181.217(QR) and 63-504.622(QR) - Redeterminations/**

**Recertifications (RD/RC):** The regulations add a provision not directly addressed in ACL 03-18 that requires that if the county does not align the RD/RC with the QR Data Month, the county shall reevaluate continued eligibility using all information received as a result of the RD/RC, and supplement, decrease or discontinue benefits mid-quarter as a county-initiated mid-quarter action.

**MPP Section 44-315.315(QR) and 63-509(a)(5)(QR) - Use of Multiplier in**

**Calculating Income:** Regulations now clarify the use of the weekly and bi-weekly conversion factors (4.33 for weekly pay or 2.167 for bi-weekly pay) when income averaging to determine monthly benefits for each of the months in the next QR Payment Quarter.

**MPP Section 44-316.31(QR) and 63-509(e)(2)(QR) - Decrease of Income Reported on the QR 7:** This regulation includes a provision that requires the county to accept a report of decreased income on the QR 7 as a voluntary mid-quarter report.

**MPP Sections 44-316.311(a)(1)(QR) and 63-509(d)(6)(QR) - Voluntary Reports of Decreased Income when there are Different Sources of Income:**

This provision from ACL 03-18 has been expanded and clarified in these regulations to provide that when an AU/HH has different sources of income (e.g., unemployment insurance benefits and earnings from a job) and they voluntarily report a decrease of income for one source of income, only the income source that experienced the decrease shall be recalculated for the current and remaining months of the quarter. The new grant/allotment shall be calculated using the existing AU's averaged income that did not change and the recalculated income (the income that decreased).

**MPP Sections 44-316.311(a)(2)(QR) and 63-509(d)(5)(QR) - Voluntary Reports of Decreased Income when there is more than one person with income in the**

**AU/HH:** This provision from ACL 03-18 has been expanded and clarified in these regulations to provide that when an AU/HH consists of more than one person with income in the AU/HH and one person experiences a decrease in income, only the changed income shall be recalculated, i.e., the person who experienced the decreased income will have his/her decreased income recalculated. The new grant/allotment shall be based on that person's recalculated income along with the existing AU's averaged monthly income that did not change.

**MPP Sections 44-316.311(d)(QR) and 63-509(d)(1)(QR) - Report of Change vs. when Change Occurred:** ACL 03-18 provisions have been clarified in these regulations to reflect that the county shall act on the report of a decrease in income the month the change is reported or the month the change actually occurs, whichever is later. The change cannot be effective until the month the change actually occurs and after all verification has been provided. There are no retroactive payments for months prior to the month in which the recipient makes a voluntary report.

**MPP Section 44-316.312(b)(QR) - CalWORKs Financial Eligibility When Adding a Person Mid-Quarter:** ACL 03-18 provisions have been clarified in these regulations to provide that initial CalWORKs financial eligibility for a mid-quarter voluntarily reported person shall be based on the new person's calculated reasonably anticipated averaged monthly income and the existing AU's previously calculated reasonably anticipated averaged monthly income for the month the new person was voluntarily reported in the home and the remaining months of the QR Payment Quarter. In order to determine whether there is an increase or decrease in benefits, the county shall use the averaged monthly income for the months the new person could be included in the AU/HH (e.g., the first month following the report of the new person and the remaining months of the quarter).

**MPP Sections 44-316.312(c)(QR) and 63-509(f)(1)(E)(QR) - Adding a Person Mid-Quarter:** ACL 03-18 provisions have been clarified in these regulations to provide that when adding a new person mid-quarter would increase cash aid, the county shall use the new person's reasonably anticipated monthly income along with the existing AU's reasonably anticipated monthly income for the month the new person is added and the remaining months of the QR Payment Quarter to recalculate cash aid. The county shall not recalculate the existing AU's monthly income that was previously computed. The new grant amount shall be based on the AU's existing averaged monthly income and the new person's calculated averaged monthly income for the months the new person would be included in the AU.

**MPP Section 44-316.314(a) (QR) - Recurring Special Need Payments:** ACL 03-18 provided instructions that recurring special need payments when verified would begin the first of the month following the request. This instruction is changed in these regulations in order to continue the existing requirement, which is to authorize recurring special needs for a member of the AU effective the month in which the request is made when verification substantiates that the special need exists in that month.

**MPP Section 44-318.152 (QR) - Adding a Maximum Family Grant (MFG) Child Mid-Quarter when a pregnancy special need payment is not being paid:** A new provision that differs from the general rules provided in ACL 03-18 has been added into the QR regulations. In cases in which no pregnancy special needs payment (PSN) is received by the pregnant woman, the MFG child may be added to the AU/HH the first of the month following the report of the birth. This is an exception since the grant would not increase or decrease with the addition of the MFG child. In cases where there is a PSN payment, the MFG child would not be added mid-quarter because the grant would decrease since the PSN payment would stop.

**MPP Sections 82-832.3(QR) and 63-508.654(c) (QR) - “Pending” Eligible Person is found Ineligible Prior to Addition into AU/HH:** This regulation has been added to provide a rule to cover a situation not specifically addressed in ACL 03-18. This new regulation provides that when a new person who was mandatorily reported on the QR 7 and initially determined eligible based on QR 7 information is subsequently determined ineligible after the QR Data Month, but prior to the authorization of aid, he/she shall be treated as an excluded person for the next QR Payment Quarter. This person’s income and needs, as reported on the QR 7 shall be treated in accordance with Section 44-133.5 for the next QR Payment Quarter and the AU shall be discontinued at the end of that quarter in which the individual was treated as an excluded person, if the subsequent QR 7 establishes that ineligibility continues to exist for the AU.

**MPP Section 89-110(QR) - Exempt vs. Non-exempt MAP Level Status:** This regulation section was amended to cover exempt and nonexempt MAP status issues in the QR environment because they were not specifically addressed in ACL 03-18. Several sections in Sections 89-110 were amended to accommodate QR, including the general principle of using the exempt/nonexempt MAP that corresponds to the AU’s MAP status that is reasonably anticipated for the QR Payment Quarter. Also included are rules regarding when a change in MAP status is effective under QR along with several exempt/nonexempt MAP examples relevant to QR.

**MPP Section 63-509(h) (B) (QR) – Non-Cooperation with a Quality Control (QC) Review:** The QR/PB system retains the requirement that households cooperate with the QC reviewer as part of the QC review process. When the QC reviewer notifies the eligibility worker that the household has failed or refused to cooperate, the imposition of the sanction for non-cooperation shall be treated as a mandatory mid-quarter county-initiated change effective the first month after timely notice has been provided.

**OTHER POLICY CHANGES:** The following are additional policy clarifications that do not require changes to the regulations. They are:

**Mid-Quarter Reporting of Information that has No Mid-Quarter Eligibility Impact (Property and Deprivation):** The county can choose to begin processing voluntary reports that do not have a mid-quarter eligibility determination (i.e., property and deprivation) instead of waiting until the end of the QR Payment Quarter. However, the county must ensure that action to decrease or discontinue cash aid is not taken until they compare the voluntary mid-quarter report information with the information reported on the QR 7. If there is an inconsistency, the county must determine which is the most current and accurate information to determine cash aid for the next QR Payment Quarter. The county shall ensure that the effective date of these types of changes is the first day of the next QR Payment Quarter following the report on the QR 7.

**Reasonable Anticipation of Income and Expenses as Reported on the QR 7:** The QR 7 is intended to capture income and eligibility information for the QR Data Month. It is also intended to capture any reasonably anticipated income and expense changes for the next QR Payment Quarter that are known during the QR Data Month. Therefore, the county shall presume that all income and eligibility information reported on the QR 7 was known by the recipient in the Data Month. However, if other information received

by the county indicates that the recipient-reported changes on the QR 7 were not known to the recipient until after the Data Month, the change shall be treated as a voluntary mid-quarter report.

## **QR/PB FORMS**

The most current revisions of all CalWORKs and Food Stamp program QR/PB forms are available on-line at [www.dss.cahwnet.gov/cdssweb/On-lineFor 271.htm](http://www.dss.cahwnet.gov/cdssweb/On-lineFor 271.htm). We are currently in the process of revising some CalWORKs forms and developing an All County Information Notice to transmit in the very near future revisions of the forms and their descriptions.

If you have any questions regarding the QR/PB system, you may contact the following CDSS staff:

QR/PB Qs & As  
CalWORKs Policy  
QR/PB Forms, Notices  
Food Stamp Quality Control  
TANF Data Collection  
Food Stamp Policy  
FS Forms and Notices  
Fraud Policy  
IEVS Matches

Rosie Avena (916) 654-1514  
Eden-Marie Eulingborough (916) 654-2236  
Paulette Dreher (916) 654-3386  
Michael Bowman-Jones (213) 833-2260  
Warren Ghens (559) 445-6478  
LeAnne Torres (916) 654-2135  
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Sincerely,

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

c: CWDA  
CSAC